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Question1: As we see fragmentation of all types of rural land being the moving force in accelerated land prices, there are continued opportunities in rural and even urban interface areas for land acquisition. As seen in recent decisions by corporate landowners, the largest being International Paper Company and their decision to sell all of their 6.5 million acres of holdings in the US, land will be available. With good rural finance and banking structure, the young farmer now has more opportunity than ever to find and manage rural land for any and all agricultural purposes through conversion to timber production, small farm productions commodities such as fruit, nuts and berries, or aqua culture for fish production. These land sales will provide lower land values initially due to the now large acreages on the market in large tracts and more available smaller tracts at reasonable prices in the near future when some of the larger acquisitions are disposed of in smaller tracts. Large being over 100,000 acres and smaller being 100 to 500 acres.

Question2: With the obvious problems from all the loss from the recent hurricanes, it should be now more clear than ever that we need to develop local processing and manufacturing opportunities for agricultural products damaged or destroyed by events such as storms. The fact that billions of board feet of wood fiber and cellulose is lying on the ground in four Southern States with now capability for use or salvage at a time when Oil and Natural gas prices are soaring should make it very clear that alternative fuels, bio-fuels and co-generation of electrical power should be moved into the market place at an accelerated pace. Local markets for ethanol from agricultural products such as corn, cane, soy bean and wood fiber could be developed and would provide steady markets and reduce dependency on foreign sources of petroleum products. Use of wood fired co-generation or primary generation facilities would create future and perpetual markets for the millions of acres of available wood fiber with now questionable future markets for domestic pulp and paper production and export. The process would provide rural communities with a value added source of power for comparable prices to present pricing levels of natural gas and crude oil and provide for cleaner emissions than the present use of coal. This has been proven in Scandinavian Countries as an affordable and clean source of power to help comply with Kyoto emission requirements. Also, we should align ourselves the rest of the world and sign on to Kyoto. With cooperation we could create incredible markets for young plantations of coniferous trees for carbon sequestration. Carbon credit sales in Canada alone are expected to exceed 10 billion dollars in the coming years.

Question3: With developing niche markets and creation of new products for agriculture in this country, price stabilization will occur with production and supply side factors. Price controls will only create artificially low prices and with developing economies in other competitor countries, world price profitability should improve.

Production should always be geared to demand for a product. Demand will be dependent on our ability to develop and market new and progressive products and methods. We have and should lead the way into free enterprise and un-encombered markets for products produced as efficiently as possible without price supports. There should be assistance for capital and research and development to stimulate new and better methods and make available funding for new and progressive production facilities and processes such as the USDA Rural Development low interest loans to construct bio fueled electrical generating plants in Arizona and ethanol plants using corn in the Texas panhandle. Supply is available from existing sources of salvaged timber from fires and hurricanes and hazardous fuels reduction programs and corn in abundance in the agricultural areas. This would be a much better approach than production suppression and waste of the resource or potential as in the past.

Question4: First, farm policy should accept the role as the lead in promoting programs that promote cleaner air and water and provide for stable sites for diversity of wildlife species. This should be encouraged by retention of Stream side areas and wildlife corridors in all types of intensive agriculture from intensive row cropping to tree farming. The present opportunity to adhere to standards of certification, whereby all agriculture production could be under a standard such as ISO14001 certifications in the Forest Stewardship Council (FSC) and the Sustainable Forestry Initiatives (SFI) programs. These certifications and standards should be present in management of federal properties, state help properties and the private farming and timberland sectors to allow for universal evaluation and certification for conformance based production of all agricultural products. The incredible opportunities afforded countries signing on to the Kiota protocols are being missed in this country under present policy. We now have competitor countries North and South of us who are gaining economic advantage in plantings of carbon sequestering plants such as sugar cane, corn and coniferous trees. The dual benefit of providing immediate income to recover planting and establishment costs from selling the carbon credits will provide for much higher returns on initial investment by our competitors. We should be able to participate unilaterally in these carbon programs and we should be competitive in these world markets. The environmental and economic benefits are easy to see for this cattle, hay and tree farmer.

Question5: As expressed above in the previous comments, funding new facilities for production of bio fuels and ethanol and generation of electrical power from renewable and clean sources such as trees and corn, is imperative. The USDA Rural Development programs should focus on emerging markets and need based markets and stimulate capital investment by partnering with the private sector in developing these facilities and potential markets for existing agricultural products. Research and development in the areas of clean air through carbon sequestration, clean water by management of low till and streamside areas in all phases of agriculture. Extensive research and development for pharmaceutical products, electrical generation from agricultural products and trees and wood waste and soils and site analysis study should be at the forefront of funding. USDA should reinstate priorities on funding college and university research in this country for purposes of evaluating and developing new products, new processes and economics of such development. Funding in education is critical to the future of agriculture. Reinstating McIntire Stennis grants for all categories of Agricultural research. Make funding available through scholarship to our students to encourage our young people to be able to compete with the excellence of emerging countries, who will surpass us in research and development without a strong commitment from government in these

programs and institutions. Rural community grants and low interest loans will further stimulate development of new facilities for new and progressive markets for electricity produced from agricultural products and timber and wood waste. Ethenol production should be the highest priority of our USDA in the present climate of dependency on foreign sources of fuel. Utilization of excess woody plant material available under the mandates of the healthy forest initiatives, making rural communities safer by hazardous fuels reduction and providing cheap, readily available sources of fuel for electrical generation. Billions of tons of cellulose available in coastal states for use in ethenol or electrical production. This available supply will continue with annual, damaging storms, insect infestations and fires. We should develop and fund new markets and new technology now!

Question6: As I have stated in the previous comments, the first priority of agricultural development should be focussed on energy and fuel production from agricultural products. Without development of these local markets from abundant supplies of agricultural sources, we will not compete in world markets. There is no new capital being invested in pulp and paper manufacturing in this country and the major land holding companies are divesting themselves of their land holdings. This should be a very obvious and loud and clear signal that we must develop markets for the millions of acres of intensively managed timberlands in this country. Bio fuel production, Ethenol production and Carbon sequestration are and will be incredibly important. These are local, value added opportunities that must be developed for our survival in world markets. Marketing will come through quality controls that are accurately and transparently revealed to world markets. We only need to assure our customers and all consumers that we are producing safe, high quality products to be able to compete. Economic and scientific research should work in tandem to assure cohesion and consistency and cooperation rather than confrontation. Research and development should be implemented with future marketing and demand for the end product in mind.